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## Minutes of MAYOR AND COUNCIL Meeting

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Approved by Mayor and Council  
on December 15, 2015

Date of Meeting: May 19, 2015

The Mayor and Council of the City of Tucson met in regular session in the Mayor and Council Chambers in City Hall, 255 West Alameda Street, Tucson, Arizona, at 5:33 p.m., on Tuesday, May 19, 2015, all members having been notified of the time and place thereof.

### 1. ROLL CALL

The meeting was called to order by Mayor Rothschild and upon roll call, those present and absent were:

Present:

Regina Romero  
Paul Cunningham  
Karin Uhlich  
Shirley C. Scott  
Richard G. Fimbres  
Steve Kozachik  
Jonathan Rothschild

Council Member Ward 1  
Council Member Ward 2  
Council Member Ward 3  
Council Member Ward 4  
Vice Mayor, Council Member Ward 5  
Council Member Ward 6  
Mayor

Absent/Excused:

None

Staff Members Present:

Martha Durkin  
Michael Rankin  
Suzanne Mesich

City Manager  
City Attorney  
Assistant City Clerk

## **2. INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation was given by Chaplin Steve Martinez, Pima County Adult Detention Complex, after which the Pledge of Allegiance was led by American Legion Auxiliary Memorial Poppy Princess Ashlyn Ware.

Presentations:

- a. Mayor Rothschild proclaimed May 19, 2015 to be “American Legion Auxiliary Memorial Poppy Days.” Karen Broth accepted the proclamation.
- b. Mayor Rothschild assisted by Andrea Altamirano and Willy Blake, Tucson Parks and Recreation Commission presented awards as follows:
  - Marcella Aguilar, Special Merit
  - SSgt. Kyle Schnur, USAFR and the BAT (Buttons, April and Titon) Group for maintaining Reid Park’s Meikos Dog Park
  - Deborah Jackson, KIDCO
  - Friends of the Reid Park Rose Garden
  - BJ Cordova and Tucson Clean and Beautiful for exemplary work on the commemorative tree planning partnership at Pantano Park and the Children’s Memorial at Michael Perry Park
  - Jean Hickman, Clean and Safe Parks
  - Sherry Hoskinson and Western Little League for recreation and sports programs for children in Ward 1.
- c. Mayor Rothschild recognized staff members of the Los Reales Landfill with Employee Appreciation Awards.

## **3. MAYOR AND COUNCIL REPORT: SUMMARY OF CURRENT EVENTS**

Mayor Rothschild announced City Manager’s communication number 172, dated May 19, 2015, was received into and made part of the record. He also announced this was the time scheduled to allow members of the Mayor and Council to report on current events and asked if there were any reports.

Current event reports were provided by Council Members Romero, Cunningham, and Vice Mayor Fimbres. A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

## **4. CITY MANAGER’S REPORT: SUMMARY OF CURRENT EVENTS**

Mayor Rothschild announced City Manager’s communication number 171, dated May 19, 2015, was received into and made part of the record. He also announced this was the time scheduled to allow the City Manager to report on current events, and asked for that report.

Current events report was given by Martha Durkin, City Manager. A recording of this item is available from the City Clerk's Office for ten years from the date of this meeting.

## **5. LIQUOR LICENSE APPLICATIONS**

Mayor Rothschild announced City Manager's communication number 170, dated May 19, 2015, was received into and made part of the record. He asked the City Clerk to read the Liquor License Agenda.

### **b. Liquor License Application(s) New License(s)**

1. Great Wall China, Ward 4  
2445 S. Craycroft Rd.  
Applicant: Cuichang Zhou  
Series 12, City 21-15  
Action must be taken by: May 17, 2015

Staff has indicated the applicant is in compliance with city requirements.

2. Giant Store #924, Ward 1  
761 W. Ajo Way  
Applicant: Roger Kenneth Burton  
Series 10, City 22-15  
Action must be taken by: May 16, 2015

Staff has indicated the applicant is in compliance with city requirements.

3. Giant Store #929, Ward 2  
9491 E. 22nd St.  
Applicant: Roger Kenneth Burton  
Series 10, City 23-15  
Action must be taken by: May 22, 2015

Staff has indicated the applicant is in compliance with city requirements.

4. Giant Store #626, Ward 3  
1850 E. Prince Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 24-15  
Action must be taken by: May 21, 2015

Staff has indicated the applicant is in compliance with city requirements.

5. Giant Store #630, Ward 3  
3030 W. El Camino Del Cerro  
Applicant: Roger Kenneth Burton  
Series 10, City 25-15  
Action must be taken by: May 21, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
6. Giant Store #616, Ward 3  
4390 N. 1st Ave.  
Applicant: Roger Kenneth Burton  
Series 10, City 26-15  
Action must be taken by: May 17, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
7. Giant Store #620, Ward 4  
7335 S. Houghton Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 27-15  
Action must be taken by: May 16, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
8. Giant Store #930, Ward 4  
2750 S. Kolb Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 28-15  
Action must be taken by: May 22, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
9. Giant Store #619, Ward 5  
1001 E. Benson Hwy  
Applicant: Roger Kenneth Burton  
Series 10, City 29-15  
Action must be taken by: May 16, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
10. Giant Store #631, Ward 5  
5000 E. Valencia Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 30-15  
Action must be taken by: May 17, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.

11. Giant Store #611, Ward 1  
2385 N. Silverbell Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 31-15  
Action must be taken by: May 23, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
12. Metro Wildcat, Ward 6  
501 N. Park Ave.  
Applicant: Chiragkumar R. Patel  
Series 10, City 32-15  
Action must be taken by: May 25, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
13. Giant Store #613, Ward 2  
8845 E. Tanque Verde Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 33-15  
Action must be taken by: May 23, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
14. Giant Store #614, Ward 3  
3550 N. Campbell Ave.  
Applicant: Roger Kenneth Burton  
Series 10, City 34-15  
Action must be taken by: May 23, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
15. Giant Store #618, Ward 4  
7910 E. Golf Links Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 35-15  
Action must be taken by: May 23, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.
16. Giant Store #622, Ward 1  
1169 W. Irvington Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 36-15  
Action must be taken by: May 31, 2015  
  
Staff has indicated the applicant is in compliance with city requirements.

17. Giant Store #627, Ward 2  
5 S. Houghton Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 37-15  
Action must be taken by: May 31, 2015

Staff has indicated the applicant is in compliance with city requirements.

18. Giant Store #623, Ward 2  
7085 E. Broadway Blvd.  
Applicant: Roger Kenneth Burton  
Series 10, City 38-15  
Action must be taken by: May 31, 2015

Staff has indicated the applicant is in compliance with city requirements.

19. Giant Store #629, Ward 3  
15 W. Grant Rd.  
Applicant: Roger Kenneth Burton  
Series 10, City 39-15  
Action must be taken by: May 31, 2015

Staff has indicated the applicant is in compliance with city requirements.

NOTE: State law provides that for a new license application, "In all proceedings before the governing body of a city...the applicant bears the burden of showing that the public convenience requires and that the best interest of the community will be substantially served by the issuance of a license". (A.R.S. Section 4-201)

Person/Location Transfer(s)

20. Wal-Mart Neighborhood Market #4490, Ward 5  
2565 E. Commerce Center Pl.  
Applicant: Clare Hollie Abel  
Series 9, City 13-15  
Action must be taken by: April 3, 2015

Staff has indicated the applicant is in compliance with city requirements.

NOTE: State law provides that for a person and location transfer, Mayor and Council may consider both the applicant's capability, qualifications, reliability and location issues. (A.R.S. Section 4-203; R19-1-102)

c. Special Event(s)

1. Tucson Presidio Trust for Historic Preservation, Ward 1  
196 N. Court Ave.  
Applicant: Amy G. Hartmann  
City T50-15  
Date of Event: June 6, 2015  
(Benefit Concert)

Staff has indicated the applicant is in compliance with city requirements.

2. Ballet Folklorico Tapatio, Ward 5  
4823 S. 6th Ave.  
Applicant: Eduardo Baca  
City T51-15  
Date of Event: May 30, 2015  
(Concert)

Staff has indicated the applicant is in compliance with city requirements.

3. Garden Youth Development Project, Inc., Ward 6  
220 S. 5th Ave.  
Applicant: Tanishia Dinelle Hamilton  
City T52-15  
Date of Event: June 13, 2015  
(Music Festival)

Staff has indicated the applicant is in compliance with city requirements.

d. Agent Change/Acquisition of Control/Restructure

NOTE: There are no application(s) for agent changes scheduled for this meeting.

It was moved by Council Member Romero, duly seconded, and carried by a voice vote of 7 to 0, to forward liquor license applications 5b1 through 5b20, and 5c1 through 5c3 to the Arizona State Liquor Board with a recommendation for approval.

**6. CALL TO THE AUDIENCE**

Mayor Rothschild announced this was the time any member of the public was allowed to address the Mayor and Council on any issue except for items scheduled for a public hearing. Speakers were limited to three-minute presentations.

Mayor Rothschild also announced that pursuant to the Arizona Open Meeting Law, individual Council Members may ask the City Manager to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers.

However, the Mayor and Council may not discuss or take legal action on matters raised during “call to the audience.”

Comments were made by:

Robert Reus  
Michael Oatman  
Laura Tabili  
Stuart Thomas

Michael Corio  
Camille Kershner  
Dona La Schiava  
Isaac Figueroa

Dan Linhart  
Ted Hinderaker  
Raquel Baranow  
Jude Cook

Mayor Rothschild asked the City Manager to look into comparable cities mentioned by Mr. Corio.

A recording of this item is available from the City Clerk’s Office for ten years from the date of this meeting.

## **7. CONSENT AGENDA – ITEMS A THROUGH N**

Mayor Rothschild announced the reports and recommendations from the City Manager on the Consent Agenda were received into and made part of the record. He asked the City Clerk to read the Consent Agenda.

### **a. APPROVAL OF MINUTES**

1. Report from City Manager MAY19-15-173 CITY WIDE
2. Mayor and Council Regular Meeting Minutes of November 5, 2014
3. Mayor and Council Study Session Legal Action Report and Summary Minutes of November 5, 2014

### **b. REAL PROPERTY: VACATION OF RIGHT OF WAY VIA THE PAPER PLAT PROCESS FOR PROPERTY WITHIN THE ENCLAVE AT SARNOFF SUBDIVISION**

1. Report from City Manager MAY19-15-174 WARD 4
2. Ordinance No. 11267 relating to Subdivisions and Real Property; abandoning and extinguishing platted easements; vacating and declaring Right of Way (ROW) within the Enclave at Sarnoff Subdivision to be surplus; authorizing the conveyance thereof at no cost to Fidelity National Title Agency, Inc., an Arizona Corporation, as Trustee under Trust No. 60343, and not in its corporate capacity (Fidelity National Title), in accordance with the City of Tucson's Paper Plat Policy; and declaring an emergency.



- c. AGREEMENT: WITH THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS) BOARD TO PARTICIPATE IN THE STATE OF ARIZONA SUPPLEMENTAL DEFINED CONTRIBUTION PLAN
  - 1. Report from City Manager MAY19-15-175 CITY WIDE
  - 2. Resolution No. 22395 relating to Public Safety Personnel Retirement System (PSPRS); authorizing and approving the execution of an Agreement between the PSPRS Board and the City of Tucson allowing participation in the Nationwide Retirement Solution 401(a) Plan; and declaring an emergency.
- d. GRANT AGREEMENT: WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION MULTIMODAL PLANNING DIVISION FOR FEDERAL FISCAL YEAR 2015 SECTION 5310 OPERATING FUNDING FOR SUN VAN
  - 1. Report from City Manager MAY19-15-176 CITY WIDE
  - 2. Resolution No. 22396 relating to Transportation; approving and authorizing an Intergovernmental Grant Agreement ("IGA") between the City of Tucson ("City") and the Arizona Department of Transportation ("ADOT") Multimodal Planning Division, acting for and on behalf of the State of Arizona, for Federal FY 2015 Section 5310 Operating Funding; and declaring an emergency.
- e. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH PIMA COUNTY FOR THE FURNISHING OF TALL POTTED REPLACEMENT TREES
  - 1. Report from City Manager MAY19-15-178 CITY WIDE
  - 2. Resolution No. 22397 relating to Intergovernmental Agreements and Transportation; approving Amendment No. 2 to the Intergovernmental Agreement between Pima County and the City of Tucson (City) for furnishing of tall pots; and declaring an emergency.
- f. INTERGOVERNMENTAL AGREEMENT: WITH THE TOWN OF ORO VALLEY FOR PARTICIPATION IN THE REGIONAL TRANSPORTATION DATA NETWORK COMMUNICATION SYSTEM
  - 1. Report from City Manager MAY19-15-179 CITY WIDE AND OUTSIDE CITY

2. Resolution No. 22399 relating to Intergovernmental Agreements and Transportation; approving the Intergovernmental Agreement (IGA) between the City of Tucson (City) and the Town of Oro Valley (Oro Valley) for participation in the Regional Transportation Data Network (RTDN) Communication System; and declaring an emergency.
- g. **BOARDS, COMMITTEES, AND COMMISSIONS: EXTENDING THE TERM OF SERVICE FOR THE GRANT ROAD CORRIDOR PLANNING TASK FORCE**
1. Report from City Manager MAY19-15-180 WARDS 2, 3, AND 6
  2. Resolution No. 22401 relating to Boards and Commissions; amending Sections 2 and 5 of Resolution No. 20632 (Adopted April 10, 2007, and previously amended by Resolution No. 20733 on August 6, 2007, by Resolution No. 21224 on February 24, 2009, by Resolution No. 21713 on April 12, 2011, by Resolution No. 21872 on April 3, 2012, and by Resolution No. 22055 on May 21, 2013) to reduce membership of the Grant Road Corridor Planning Task Force from 19 members to 17 members [Section 2] and extend the Task Force's term to April 10, 2017 [Section 5]; and declaring an emergency.
- h. **INTERGOVERNMENTAL AGREEMENT: WITH THE REGIONAL TRANSPORTATION AUTHORITY OF PIMA COUNTY FOR THE REGIONAL TRANSPORTATION DATA NETWORK COMMUNICATION SYSTEM**
1. Report from City Manager MAY19-15-181 CITY WIDE AND OUTSIDE CITY
  2. Resolution No. 22400 relating to Intergovernmental Agreements and Transportation; authorizing and approving an Intergovernmental Agreement (IGA) between the Regional Transportation Authority of Pima County (RTA) and the City of Tucson (City) for the Regional Transportation Data Network (RTDN) Communication System; and declaring an emergency.
- i. **BOARDS, COMMITTEES, AND COMMISSIONS: EXTENDING THE TERM OF SERVICE FOR THE TRANSIT TASK FORCE**
1. Report from City Manager MAY19-15-182 CITY WIDE
  2. Resolution No. 22402 relating to Boards and Commissions; amending Resolution No. 21023 to extend the terms of the Transit Task Force and its members to June 2, 2016; and declaring an emergency.

- j. FINAL PLAT: (S14-052) DESERT SQUARE SHOPPING CENTER, LOTS 1 THROUGH 5
  - 1. Report from City Manager MAY19-15-183 WARD 4
  - 2. Staff recommends that the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
- k. FINAL PLAT: (S15-005) EBENEZER SARNOFF ESCALANTE, BLOCK 1
  - 1. Report from City Manager MAY19-15-184 WARD 4
  - 2. Staff recommends that the Mayor and Council approve the final plat as presented. The applicant is advised that building/occupancy permits are subject to the availability of water/sewer capacity at the time of actual application.
- l. ZONING: BANNER-UNIVERSITY MEDICAL CENTER, WAIVER OF MINIMUM ACREAGE REQUIREMENT FOR PLANNED AREA DEVELOPMENT DISTRICT
  - 1. Report from City Manager MAY19-15-185 WARD 3 AND 6
  - 2. This is a request by Keri Silvyn of Lazarus, Silvyn & Bangs, P.C. on behalf of Banner Health Systems (Banner), for a waiver of the forty acre minimum land area required for Planned Area Development (PAD) districts to allow the redevelopment and upgrading of a 31-acre site that is a portion of the existing University of Arizona Medical Center Campus located west of Campbell Avenue and south of Lester Street.  
  
 Staff recommends approval of this request for authorization of a Planned Area Development District (PAD) for a 31-acre site located west of Campbell Avenue and south of Lester Street. This will allow the applicant to proceed in the rezoning process and submit a rezoning application for PAD zoning.  
  
 (This item was considered separately at the request of Council Member Cunningham.)
- m. INTERGOVERNMENTAL AGREEMENT AMENDMENT: WITH RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT FOR TUCSON CONVENTION CENTER ARENA REPAIRS
  - 1. Report from City Manager MAY19-15-186 WARD 6

2. Resolution No. 22398 relating to Intergovernmental Agreements; approving and authorizing the execution of Amendment No. 2 to an Intergovernmental Agreement ("IGA") between the City of Tucson ("City") and Rio Nuevo Multipurpose Facilities District (Rio Nuevo) for Tucson Convention Center Arena repairs concurrent with Rio Nuevo Arena restoration construction; and declaring an emergency.
- n. TUCSON CODE: AMENDING (CHAPTER 27) RELATING TO RESIDENTIAL CUSTOMER DEPOSITS AND THE CITIZENS' WATER ADVISORY COMMITTEE ELECTIONS
1. Report from City Manager MAY19-15-187 CITY WIDE AND OUTSIDE CITY
  2. Ordinance No. 11269 relating to Water; amending Tucson City Code, Chapter 27, Article I, in general, Section 27-9(b)(1) relating to Residential Customer Deposits; and Article III, Citizens' Water Advisory Committee, Section 27-63 relating to elections of Chairperson and Vice Chairperson, to ensure transparent business practices; and declaring an emergency.

It was moved by Council Member Scott, duly seconded, and passed by a roll call vote of 7 to 0, that Consent Agenda Items a – n, with the exception of Item l, which was considered separately, be passed and adopted and the proper action taken.

## **7. CONSENT AGENDA – ITEM L**

1. ZONING: BANNER-UNIVERSITY MEDICAL CENTER, WAIVER OF MINIMUM ACREAGE REQUIREMENT FOR PLANNED AREA DEVELOPMENT DISTRICT
  1. Report from City Manager MAY19-15-185 WARD 3 AND 6
  2. This is a request by Keri Silvyn of Lazarus, Silvyn & Bangs, P.C. on behalf of Banner Health Systems (Banner), for a waiver of the forty acre minimum land area required for Planned Area Development (PAD) districts to allow the redevelopment and upgrading of a 31-acre site that is a portion of the existing University of Arizona Medical Center Campus located west of Campbell Avenue and south of Lester Street.

Staff recommends approval of this request for authorization of a Planned Area Development District (PAD) for a 31-acre site located west of Campbell Avenue and south of Lester Street. This will allow the applicant to proceed in the rezoning process and submit a rezoning application for PAD zoning.

Council Member Cunningham wanted clarification that the item was not representing the addition of beds but rather rebuilding a group of beds at UMC.

Michael Rankin, City Attorney said the item allowed for the PAD proposal to move forward through the normal process and then come back to Mayor and Council. It had nothing to do with the rezoning itself.

It was moved by Council Member Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to authorize the request for the Planned Area Development District.

**8. PUBLIC HEARING: ZONING (C9-14-13) VALLEY OF THE MOON – ALLEN ROAD, R-1 TO HLR-1, CITY MANAGER'S REPORT, DIRECT ORDINANCE ADOPTION**

Mayor Rothschild announced City Manager's communication number 192, dated May 19, 2015, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on a request to rezone property located east of Tucson Boulevard on the south side of Allen Road. He said the Zoning Examiner and staff recommend authorization of the rezoning.

Mayor Rothschild asked if the applicant or representative of the Valley of the Moon was present.

Demion Clinco, Tucson Historic Preservation Foundation, was present.

Zack Jarrett, Valley of the Moon, Board President, replied they were agreeable to the proposed requirements from the zoning examiner.

Mayor Rothschild announced the public hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations.

Philip Oliver, Colonia Del Rey Home Owners Association (HOA) Officer and Board Member, said he was representing himself as a home owner, the HOA and other neighbors of the Valley of the Moon. He explained they originally pursued opposition, because they saw no other way to obtain relief. Their goal was to come to an agreement with Valley of the Moon so they could exist as neighbors, but for the past two years Valley of the Moon didn't act neighborly because they had rented out the facility, had inadequate event management, unreasonable crowd sizes, and they deviated from the traditional children's focus to a more adult focus in their events.

He said the neighborhood supported the historic perspective of Valley of the Moon, and they were willing to withdraw their opposition and support the good will with their neighbors, not because problems had been resolved, but they relied on the City to assist neighborhoods in protecting them and assisting their neighbors from excessive noise, traffic, parking, trash, and illegal behavior and other impacts.

He wanted the City to review the process so it included those that were impacted to seek consideration and redress if necessary. He asked Mayor and Council to gain

explicit acknowledgement from Valley of the Moon regarding the non-conforming process which wasn't discussed.

Mayor Rothschild asked Council Member Uhlich to comment on Valley of the Moon since she has worked closely with this project.

Council Member Uhlich thanked members of the Office of Integrated Planning (OIP) staff for their work on this. She said to her, what was heartening and devastating in many respects, was to see people from Tucson fight so hard to preserve the quality of life in neighborhoods which were important to the future of the community and the City as a whole. She said the common ground for the dialogue to continue was there to resolve concerns in a manner that honored both positions. She added, OIP had been willing to work with the Ward Office, the adjacent neighbors, the Valley of the Moon and a wider circle of people that had been invested in this dialogue.

Council Member Uhlich stated the path that she saw moving forward was to allow for the historic landmark designation and to proceed with the dialogue with a clear understanding that the concerns being raised and the quality of life in the area was enhanced by the presence of Valley of the Moon.

Mayor Rothschild asked Mr. Jarrett to respond regarding Mr. Oliver's and Council Member Uhlich's comments on how they intended to proceed.

Mr. Jarrett stated Valley of the Moon recognized they had neighbors. He stated when the neighborhood grew around Valley of the Moon there was change. He said they committed publicly to meet with the neighbors to inform them about the historic landmark rezoning and that it had nothing to do with land use. He said what they were doing was protecting a historic resource and land use concerns should be addressed through alternative meetings. He stated they had adopted policies and sound mitigation that they felt were working, and they had endeavored to be a good neighbor and would continue to do so.

Mr. Clinco thanked the Mayor and Council for hearing the case. He talked about the richness of the history, and how the designation was consistent with a number of the policies within Plan Tucson. He also thanked Council Member Uhlich and her staff for the job they had done to bring parties together to get things resolved. He also wanted to make clear for the record that Valley of the Moon had been open and continuous and active since the 1930's.

Ken Scoville spoke in support of Valley of the Moon Historic landmark and thanked Council Member Uhlich for her work and support.

Jenni Sunshine spoke in support of Valley of the Moon Historic landmark, and would continue to work with the neighbors.

It was moved by Vice Mayor Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to close the public hearing.

Mayor Rothschild asked the City Clerk to read Ordinance 11268 by number and title only.

Ordinance No. 11268 relating to Zoning; amending zoning district boundaries located 320 feet east of Tucson Boulevard on the south side of Allen Road in case C9-14-13, Valley of the Moon - Allen Road, R-1 to HLR-1; and setting an effective date.

Council Member Uhlich summarized her prior statements in support of Valley of the Moon and working with the neighbors.

It was moved by Council Member Uhlich, duly seconded, and passed by a roll vote of 7 to 0, to pass and adopt Ordinance 11268 approving the historic landmark designation for Valley of the Moon.

**9. PUBLIC HEARING: AMENDING TUCSON CODE (CHAPTER 27) RELATING TO AN INCREASE IN WATER RATES FOR FISCAL YEAR 2016**

Mayor Rothschild announced City Manager's communication number 189, dated May 19, 2015, was received into and made part of the record. He also announced this was the time and place legally advertised for a public hearing on the proposed increase in water rates. He stated staff wanted to make a brief presentation before beginning the public hearing.

Alan Forest, Tucson Water (TW) Department Director, stated that the public hearing represented the culmination of many months of input and evaluation in the collaborative three step process to develop TW's financial plan to be brought to the Mayor and Council on whether or not revenue increases were needed to fund the Utility.

Mr. Forest also explained that the two proposals brought forward reflected modest increases across all customer groups; residential, multi-family, commercial, industrial and construction. He said the existing rate design encouraged all customer groups to conserve water based on the concept of, "the more water you use, the more you pay." He said, specifically, residential customers pay more per unit when established block thresholds are exceeded. He commented that commercial and industrial customers paid a surcharge for usage during the summer months when they exceed their average winter usage.

Mr. Forest stated that the Utility's public outreach program focused on residential customers mainly because this group represented about ninety percent of their customer base and accounted for approximately sixty percent of their water sales revenues. He said this was the same group that typically participated in their town hall meetings. He stated that from the town hall meetings some customers expressed concerns with Option A and the proposed change to block one of the residential rates, which moved that block

from 1 to 10 ccf's down to 1 to 7 ccf's. He said they also received comments from customers who felt the change to block one was good and encouraged conservation and wise use of water.

Bruce Billings, Citizens' Water Advisory Committee (CWAC), Finance Subcommittee Chair, discussed the rate proposals recommended by CWAC. He said that the proposed water rates were designed to continue sending a strong conservation signal to Tucson Water customers, to provide sufficient revenue to effectively operate the Utility, to continue buying the full allocation of Central Arizona Project (CAP) water and to fund the capital improvement projects needed to maintain and upgrade the existing system.

Mr. Billings said that one of the projects the Utility was working on was installing smart water meters to allow customers to receive real time information on their water use through a computer or smart phone. He stated the Utility would use this data to alert the customer of leaks when they occurred on the customer's property instead of waiting until the next billing cycle.

Mr. Billings said that CWAC was pleased to support the proposed Option A, which modified the first block of the single-family residential rate structure. He stated the proposed first block included usage of 1 to 7 ccf's per month leaving the other block boundaries the same. He commented it also included a corresponding modification to the duplex/triplex rates. He said for both of those classes, the average use per customer had fallen in recent years, greatly increasing the percent of water use and customers in the first rate block. He explained that reducing the size of the first block resulted in a much smaller increase of two cents instead of fourteen cents in Option B.

Mr. Billings stated it also facilitated a decrease in the second rate block of thirty cents instead of an increase of forty cents. He said CWAC felt this was beneficial for TW customers and the Utility. He said the proposed changes would also encourage conservation for the average residential customer who now buys 8.7 hundred cubic feet per month, while maintaining very affordable water for low volume users. He said to also continue encouraging the usage of reclaimed water, CWAC recommended that the standard reclaimed water rates remain unchanged again for another year. He stated that the Committee, in response to several requests, intended to examine the possibility of implementing a modification of the multi-family residential rate structure to account for the fact that single-family residences and duplex/triplex residences had increasing block rates and multi-family did not.

Mayor Rothschild announced the public hearing was scheduled to last for no more than one hour and speakers were limited to five-minute presentations.

John Kromko, Robert Reus, Mark Day, and Richard Basye spoke in opposition to the increasing water rates and expressed their concerns.



It was moved by Council Member Scott, duly seconded, and carried a voice vote of 7 to 0, to close the public hearing.

Mayor Rothschild asked the City Clerk to read Ordinance 11270 by number and title only.

Ordinance No. 11270 relating to Water; amending certain portions of the Tucson Code, Chapter 27, Water, Article II, Rates and Charges; Section 27-32.1, Monthly reclaimed water service charges; Section 27-33, Monthly potable water service charges; and Section 27-34, Charges for fire protection service; and setting an effective date.

It was moved by Council Member Scott, duly seconded, to pass and adopt Option A of Ordinance 11270.

Council Member Romero stated she had the same concern that Mr. Day had in terms of the service charges. She indicated the service charge and connection fees affected lower income rate payers much more than others. She stated she was concerned about considering raising those charges and suggested that next year they consider freezing those charges and connection fees and look at commercial, industrial and multi-family rates to help with the need to increase fees.

Council Member Romero asked if the rates for multi-family were staying the same and had they gone down in recent years. She also asked if the multi-family rates have also been increased.

Deb Galardi, Rate Consultant from Galardi Rothstein Group, expressed the current rate for multi-families increased from \$2.38 per ccf to \$2.55 per ccf and rates had gone up based on the cost of service analysis performed each year.

Council Member Romero expressed concerns, as they moved forward with the administrative connection fees and service charges, how it hits the low income rate payers. She asked if the low income program could be described and how could the low income rate payers use it.

Mr. Forest stated they had focused, in the past several years, on the low income program and had actually “beefed” it up to a pretty robust program. He said for those who qualified, it was a fifty percent reduction in their total bill every month.

Council Member Romero asked what the percentage was of rate payers that used the program.

Belinda Oden, Tucson Water Finance Administrator, indicated there were currently about three thousand participants in the program and had recently expanded their outreach via Spanish language radio to reach additional customers to participate in the program.

Council Member Cunningham expressed Option A, with the block changes, presented options that were probably the closest to his ideals. He said it had an enhancement about moving towards conservation. He stated that the bottom line, nationwide, was that everyone was looking at their water situation and Tucson was in danger. He mentioned the continuous discussions of the water issues every ten years on whether or not the City would have enough water.

Council Member Cunningham agreed with Mr. Kromko in regards to the duplex and triplex rates. He stated that Option A was the responsible way to encourage people to conserve water. He went on to discuss the rate structure in terms of ccf's, storm water capture, service water rights and our long term water supply. He stated that he supported the motion, but the consideration of raising the service charge needed to be addressed. He stated he was cringing on the service fee increase, it needed to be considered whether or not to keep raising the service charge.

Vice Mayor Fimbres expressed that the number of people participating in the low income program was low, and the outreach program needed to be better.

Mr. Forest indicated he agreed with Vice Mayor Fimbres, and stated they were working hard to try and get the participation up in the program, with more outreach in the Spanish community. He said they would continue to do what they could to increase the numbers.

Council Member Uhlich asked for an clarification on duplex and triplex and how a family living in a triplex would be kicked into the higher levels. She asked if usage data was being used and if it was public information.

Ms. Galardi stated CWAC believed that since they recommended a modification to block one, single family, that model reflected a winter average for the class, that the same model be applied to duplex/triplex. She said, as they looked at the current usage data, and the fact that water use per account was falling for all accounts, the average monthly use for duplex/triplex was still under ten hundred cubic feet, even for the multiple families within those customers used less per unit. She said it reflected a consistent frame work of block one being set based on the winter average of the class.

Council Member Uhlich said it was important for people to have access to that data. She asked whether or not the monthly bills for the other classes would be increased in the model. She said what she had read under Option A and B it indicated that in all classes, the rates would go up. She asked for clarification.

Ms. Galardi explained the three basic components, the monthly service charge, the base volume rates per unit of consumption and the CAP charge which applied to all customer classes were increasing. She said the base rates went up at different percentage increases depending on the class based on the cost of service, but all were increasing.

Council Member Uhlich expressed she had received calls about fairness, and agreed with Council Member Romero, that moving forward created an elongated process and more analysis. She said they needed to keep looking at all classes of customers and make sure they tried to alleviate the burden of residential rate payers since they were the bulk of the accounts.

Ms. Galardi indicated that industrial had the highest percentage increase on its base volume rate of any customer classes by twenty-four cents. Most of the other customer class rates were below fifteen cents.

Council Member Kozachik thanked CWAC and staff for their hard work. He said he appreciated the clarification regarding the duplex/triplex explanation of use and increase. He indicated his hesitancy on the idea they were preemptive of capturing run off by downstream users that would claim Alvernon as an inevitable water way. He said they could not let that stand in the way of moving forward with curb cuts and rain water, ground water capturing ideas still in play.

Council Member Scott asked if anyone could estimate what a gallon of City water cost versus what constituents who were buying water paid. She asked what they were currently spending and was there a comparison.

Mr. Billings stated City water was less than a penny a gallon compared to whatever people paid for bottled water.

Ordinance 11270, Option A, was passed and adopted by a roll call vote of 7 to 0.

## **10. FINANCE: TENTATIVE ADOPTION OF FISCAL YEAR 2016 BUDGET**

Mayor Rothschild announced City Manager's communication number 190, dated May 19, 2015, was received into and made part of the record. He asked the City Clerk to read Resolution 22390 by number and title only.

Resolution No. 22390 relating to Finance; adopting a tentative budget for Fiscal Year 2016 (FY16) and fixing times and places, confirming time and place to conduct a public hearing on said budget, to adopt the final budget in a special meeting, to fix time and place to determine the primary and secondary tax levies for said Fiscal Year.

It was moved by Vice Mayor Fimbres, duly seconded, and passed by a roll call vote of 6 to 1 (Council Member Kozachik dissenting), to pass and adopt Resolution 22390.

Mayor Rothschild stated the final hearing on the Budget was scheduled for June 9, 2015.

**11. REAL PROPERTY: APPROVING A GOVERNMENT PROPERTY LEASE EXCISE TAX LEASE AGREEMENT WITH THE RIALTO BLOCK PROJECT L.L.C. (TUCSON URBAN) FOR THE RIALTO BLOCK REDEVELOPMENT PROJECT**

Mayor Rothschild announced City Manager's communication number 188, dated May 19, 2015, was received into and made part of the record. He asked the City Clerk to read Resolution 22353 by number and title only.

Resolution No. 22353 relating to Economic Development Incentives and Real Property; authorizing and approving the Government Property Lease Excise Tax (GPLET) Lease Agreement between the City of Tucson and Rialto Block Project, LLC (Tucson Urban) for the Rialto Block Redevelopment Project (Project).

It was moved by Council Member Kozachik, duly seconded, to pass and adopt Resolution 22353.

Council Member Kozachik asked staff what the status was of the 108 process on the hotel.

Michael Rankin, City Attorney, stated it was moving forward and they had connected with Bond Council to work directly with attorneys for the applicant to move forward with financial documents. He said that process took a particular level of expertise and that was why the City was using consultant. He stated he would get with the consultant to see what the next steps were in the process.

Council Member Uhlich stated, in terms of the time lapse and the requirement that the project would not proceed without this mechanism, she said she wanted to make sure it was not occurring after the fact in terms of the completion of construction and whether it would impact the validity of the analysis that was completed to justify the GPLET.

Mr. Rankin answered he was comfortable that all of the criteria that applied, specifically with GPLET agreements that were referenced in the communication and the legislative findings. He said the requirement, in terms of the development not proceeding in the same time, place or manner, without the availability of economic incentives, applied more directly to the site specific tax benefit as an economic development agreement. He said the City carried over that requirement in context of GPLET's as well in terms of the analysis when it came back to the Mayor and Council.

Mr. Rankin stated he believed, in this instance, it was the availability of the potential of the GPLET that allowed the project to move forward in the time, place and manner that would otherwise would not have.

Council Member Uhlich stated there should be something that did not allow for the GPLET to be assumed in an underwriting agreement or criteria, that backed the Mayor and Council into a corner that she was not willing to get backed in to.

Mr. Rankin stated the financing arrangements the developer made with their financing did not bind the City, whether or not the GPLET was approved, was exclusively a legislative decision made by the Mayor and Council.

Council Member Uhlich said she would explicitly note that was not a legitimate factor to put on the table in front of the Mayor and Council to say this project would not occur if the underwriter had not put this into a stand-alone variable that would not work.

Resolution 22353 was passed and adopted by a roll call vote of 7 to 0.

**12. PRE-ANNEXATION AND DEVELOPMENT AGREEMENT: WITH NANCY PROPERTIES I, LLC, OWNERS OF PARCEL NOS. 114-03-348A, 114-03-348B AND 114-03-348C**

Mayor Rothschild announced City Manager's communication number 191, dated May 19, 2015, was received into and made part of the record. He asked the City Clerk to read Resolution 22358 by number and title only.

Resolution No. 22358 relating to Pre-Annexation and Development Agreements; authorizing and approving the execution of a Pre-Annexation and Development Agreement between the City of Tucson and Nancy Properties I, LLC, owners of Parcel Nos. 114-03-348A, 114-03-348B and 114-03-348C.

It was moved by Council Member Cunningham, duly seconded, and passed by a roll call vote of 7 to 0, to pass and adopt Resolution 22358.

**13. APPOINTMENTS TO BOARDS, COMMITTEES AND COMMISSIONS**

Mayor Rothschild announced City Manager's communication number 177, dated May 19, 2015, was received into and made part of the record. He asked for a motion to approve the appointments on record

It was moved by Vice Mayor Fimbres, duly seconded and carried by a voice vote of 7 to 0, to approve the appointment of James S. Palmer to the Fire Code Review Committee (FCRC), the reappointment of Shelby Ackerman Clark to the Pima County/City of Tucson Commission on Addiction, Prevention and Treatment (CAPT), and the removal of Edwin Hubert from the Independent Audit and Performance Commission (IAPC).

Mayor Rothschild asked if there were any personal appointments to be made.

There were none

**14. ADJOURNMENT:** 7:48 p.m.

Mayor Rothschild announced the next regularly scheduled meeting of the Mayor and Council would be held on Tuesday, June 9, 2015 at 5:30 p.m., in the Mayor and Council Chambers, City Hall, 255 West Alameda, Tucson, Arizona.

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MAYOR

ATTEST:

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CITY CLERK

**CERTIFICATE OF AUTHENTICITY**

I, the undersigned, have read the foregoing transcript of the meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 19th day of May 2015, and do hereby certify that it is an accurate transcription.

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DEPUTY CITY CLERK

RWR:bf:rg